

MISSOURI PSC CONCERNED OVER DISCONNECTS/ COLD WEATHER APPROACHING

Jefferson City (August 24, 2001)---Nearly 29,000 Missourians live in homes without natural gas service due to service disconnects for non-payment. In addition, another 50,000 could face disconnection of service if they don't make necessary payments.

Currently the average customer owed their natural gas company an average of \$670 when service was disconnected for non-payment. That is more than double the average amount owed last year at this time.

The Missouri Public Service Commission is very concerned over the significant rise in the number of Missourians who have had their natural gas service shutoff for non-payment or who may be on a list to have service disconnected for non-payment.

“The winter heating season is rapidly approaching,” stated Kelvin Simmons, Chairman of the Missouri Public Service Commission. “We encourage people who have had service disconnected for non-payment or who face disconnection for non-payment to work with their natural gas company to settle past due bills now and avoid the potential of entering the winter heating season without service.”

“We face a potential crisis,” stated Simmons, “if thousands of customers wait until the first cold Missouri day to seek reconnection of service. Overwhelming demand for service reconnection could prevent companies from being able to meet those requests in a timely fashion.”

“I am encouraged that Missouri Gas Energy, Atmos Energy Corporation, United Cities Gas Company and the Greeley Gas Company have offered a limited time special offer to disconnected customers in an effort to get their service restored,” stated Chairman Simmons.

Reconnection of natural gas service takes time. According to Commission rules, a natural gas company is to restore service no later than the next working day after the customer payment has been received by the company. When the company receives payment, a deposit (if required) and a

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reconnection fee from the customer, the company will send a service man out to reconnect service. In addition, a safety inspection is conducted and the pilot light is re-lit. Under normal circumstances, this typically takes about 45 minutes. If a large number of reconnects are requested at the same time, it may not be possible for the company to make all the reconnects in a timely fashion.

High natural gas prices and cold weather were the two primary factors which resulted in the high number of shut-offs during the 2000-2001 winter season. Natural gas prices hit an all-time high because of the increased demand for natural gas, less exploration and production of natural gas, and national inventory storage levels that were significantly lower than the 1999-2000 winter. In addition, Missouri experienced the coldest November and December on record leading customers to use more natural gas than in the previous winter.

The Missouri Public Service Commission has been and will continue to be in contact with the Missouri Congressional Delegation, strongly encouraging that more federal Low Income Home Energy Assistance Program (LIHEAP) funding come to Missouri to help those in need.

In addition, the Commission sent a letter to each member of the Missouri General Assembly encouraging them to continue to look at ways to help ease the burden on low-income families and those living on fixed incomes.

**“We continue to strongly support legislative goals that benefit the public interest,”
stated Chairman Simmons.**